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# See the Potential, Plan the Future

## Market Trends, Practical Applications

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# ~~3 Areas of Focus~~

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Understanding Today's Customer , Market Trends,  
Motivators, Practical Applications

- Convenience
- Customized
- Sustainable/Fresh=Healthy
- Consumer Behaviors

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# Behavioral Trends - The New Premium:

Indulgent Premium May Be Limiting

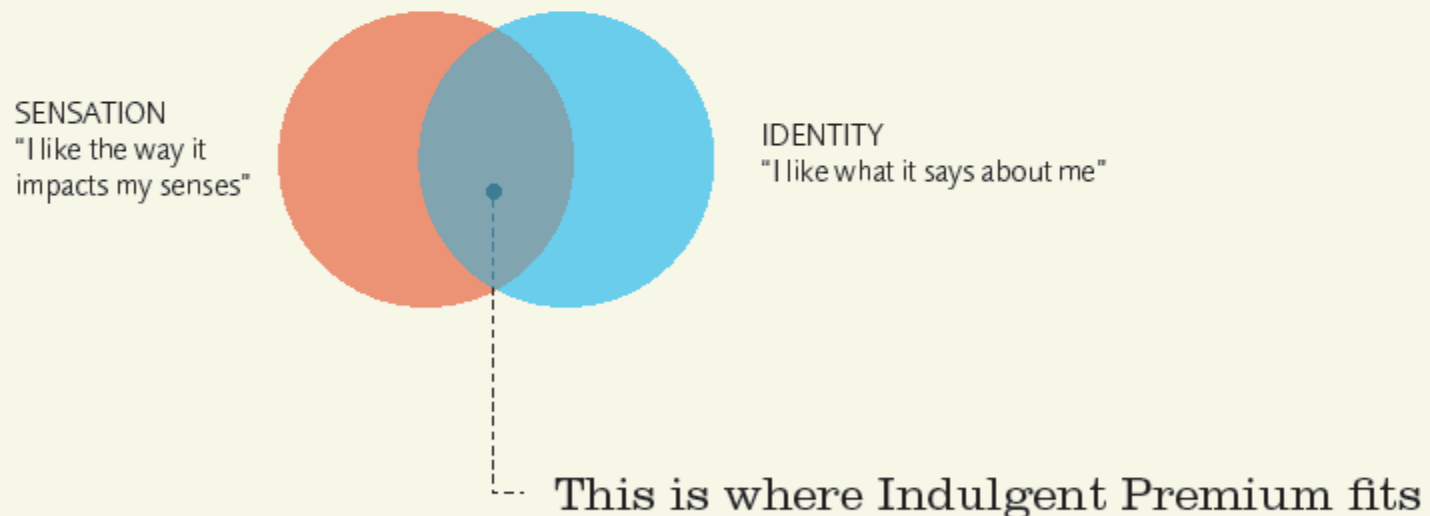
Everyday Premium Is On The Rise

Wellness Connects To Something Bigger



What motivates  
us towards  
premium food?

# Premium used to be driven by two motivations:



## Indulgent Premium is associated with:

Special Occasions

Suspending My Rules

Guilty Pleasures

Restaurant Experiences

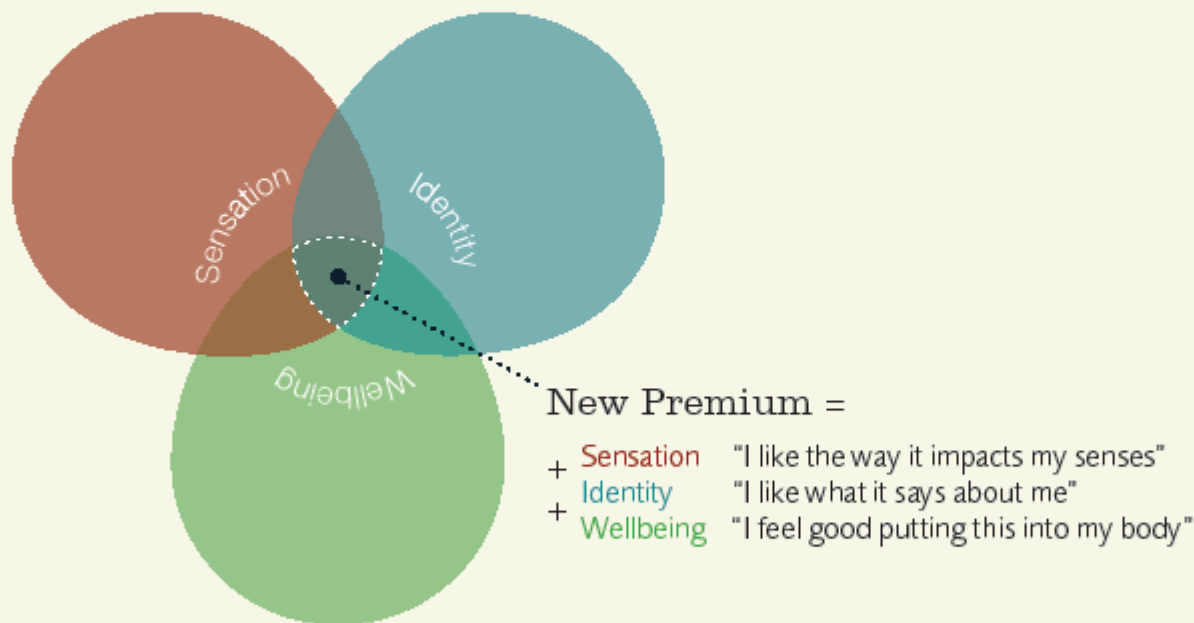
Created for You  
(As opposed to “by you”)

Closed

Elitist



# A new version of premium is on the rise.



## Key drivers:

Shifting models of "good for me"

Stores such as Whole Foods promoting "premium natural"

Explosion in consumer choice

letting people feel that they can "have it all"

## Quotes:

**Zach:** “Food can taste good and be good for you. A lot of people don’t know that.”

**Mary:** “Good and healthy isn’t a compromise for me.”

**Scott:** “The cheese I buy is natural and local, so it’s good for me.”

**Justin:** “When I make soup, it tastes really good and I know it’s good for me.”



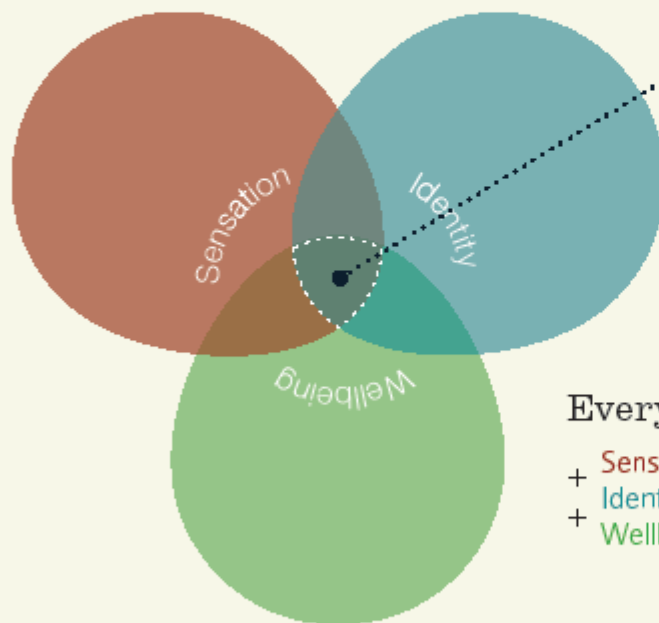


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“New Premium is accessible and has credence quality—‘the real thing’, ‘genuine’—with attributes such as healthfulness, naturalness, ethics, wholesomeness, exclusiveness and method of production.”

- Data Monitor

# This is EVERYDAY PREMIUM.



Everyday Premium =

- + **Sensation** "I like the way it impacts my senses"
- + **Identity** "I like what it says about me"
- + **Wellbeing** "I feel good putting this into my body"

## Some people who are doing it:

Ben & Jerry's

Kashi

Trader Joe's

Whole Foods

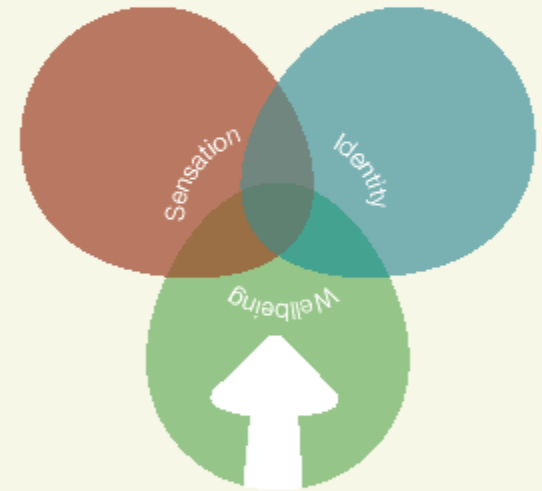
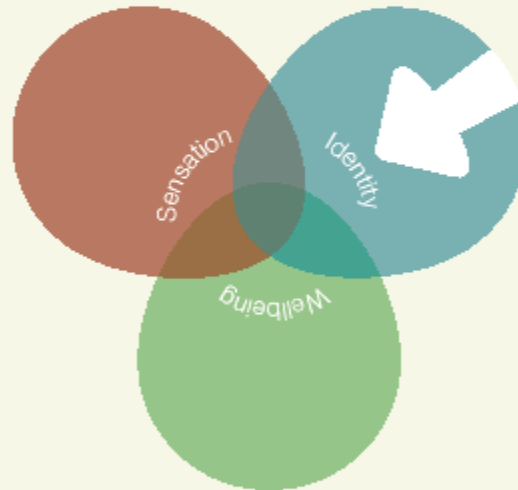
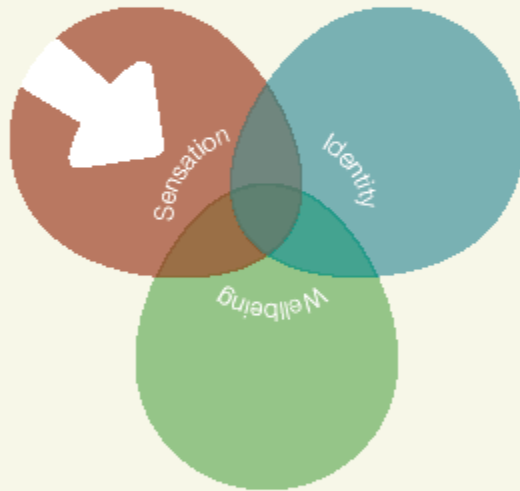
Panera

Clif Bar

Odwalla



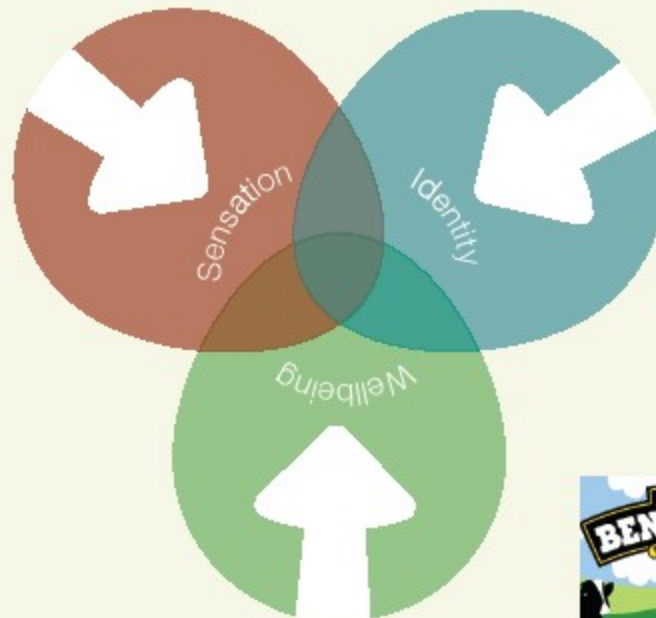
Even if everyone is aiming at the center, there are different places to start.



# Ben & Jerry's



(Exciting new flavors)



(60s counterculture,  
people doing it for passion)

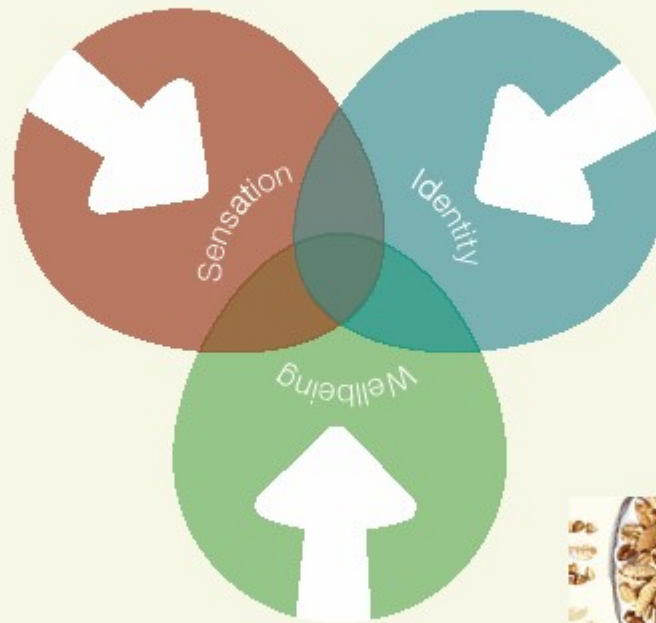


(Made by good people,  
so it's better for me)

# Kashi



(Addition of permissive, fun elements like organic freeze dried strawberries)



(Vision of a single individual: authentic surfer)



(Genuine benefit from seven whole grains)



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The New Premium:  
Miles away from stuffy

## Design Principles

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Remember that premium is in the details.

Consumers are looking for nuances that tell a story.

Never underestimate the intelligence and ability of your consumer.

Everyone likes to feel smart. No one likes to be talked down to.

Appeal to the individual.

Products for everyone are really for no one.





Daydream

refresh  
Exchange of Ideas

Lounge

groups

Decompress

Movement

escape

Richness  
Color  
Break  
SOCIALIZE  
Culture  
Амисе  
community



# ***Eight Consumer Trends Shaping the Foodservice Industry***

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- 1. Customization***
- 2. Convenient Premium Experiences***
- 3. Blurring of the Lines: Foodservice & Retail***
4. Trading Up
5. Small Indulgences & Snacking
6. Adventurous Tastes
- 7. Health & Wellness***
- 8. Fresh***



# Convenience:Fast Casual are among the fastest growing chains

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1. Chipotle



2. Qdoba



STARBUCKS.CO

3. Starbucks



4. Red Robin



5. Panera Bread



6. Cheesecake Factory



7. Buffalo Wild Wings



8. Tim Horton's



9. Texas Roadhouse



10. Panda Express

Source: The NPD Group's CREST® Service;

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Only chains with annual sample of 300+ customer



# Convenience: Food Categories

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## Growing Food Categories

- *Chicken sandwiches*
- *Breakfast sandwiches/wraps*
- Cheeseburgers
- Bagels
- Donuts/Sweet Rolls
- Fruit
- Cinnamon Rolls



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Source: NPD CREST, 52 weeks ending Dec. 2007

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# Convenience: Takeout channels

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- Curbside takeout - success story for Casual Dining **SubMarine**





# Convenience: Consumers are considering HMR

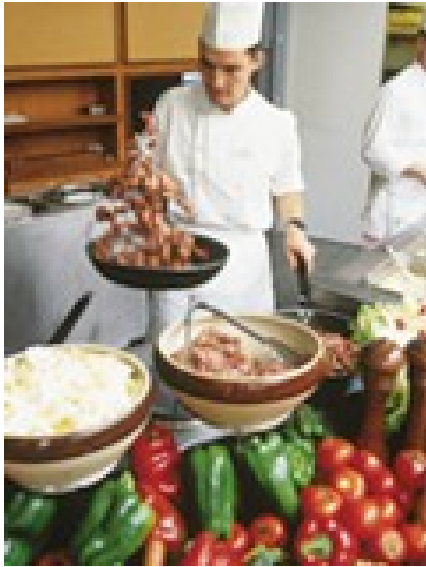
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- Fresher
- Healthier
- Convenient
- Offers variety
- High quality / good taste
- Premium
- Value Add



# Customized

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**Display Cooking - Personalized Preparation**

**Fresh Product**

**Premium Quality**



**Consumer is willing to wait for  
perceived premium**



# Convenient Customization

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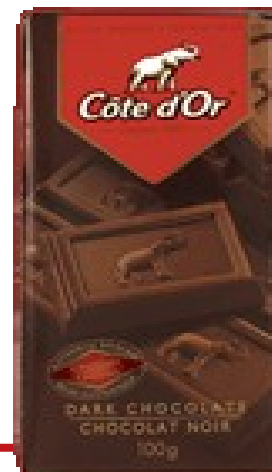




# ***Sustainable: Super Foods***

**Whole Food' - natural benefits - not  
processed with chemicals**

- Coffee
- Dark Chocolate
- Green Tea
- Whole Grains
- Vegetables
- Fruits





# Sustainable Products = Healthy = Fresh

Consumers associate eating fresh foods and avoiding processed foods with a healthy diet

- Organic has become consumer shorthand for “fresh”, “healthier,” and “higher quality,” but initial assumptions about environmental friendliness are now being questioned
  - Are those organic bananas worth the jet fuel required to get them from Peru?
- ‘Local’ food is emerging as a way to gain many of the benefits of organics, with added environmental and



Importance of eating fresh F&B for healthy diet



Importance of avoiding processed F&B for healthy diet



**S**  
**hoppers, and**  
**people want to know where their**  
**food is coming from... It's not**  
**just the granola bar folks,**  
**everybody's starting to get into**  
**it."**

**lowan Taco restaurant owner**

Source: Datamonitor Capitalizing on Natural and Fresh Food & Drink Trends (2006); Roper Reports Worldwide, 2005; Kraft Proprietary Research; Time 6/11/2006, Hartman 2006 Organic rpt; bbc.com 10/17/2007

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# Sustainability & Ethics

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- Consumers say they make value-based choices
  - **60%** said they are more likely to buy products from companies mindful of their environmental and societal impact
  - **57%** say they feel more loyalty to socially responsible companies
  - More than a third (**38%**) said they'd be willing to pay extra for products produced by socially responsible companies
- Consumers are interested in environmental issues related to Sustainability but the term 'sustainability' is not well understood
  - Only 54% claim any familiarity at all with the term
- The marketplace and consumer attitudes are shifting quickly

